

EXHIBIT B

DECLARATION

I, Kevin A. Ramcs, hereby declare as follows:

1. This declaration is prepared for submission to the Federal Communications Commission ("FCC") in connection with a Petition for Extraordinary Relief filed by Family Broadcasting, Inc. in EB Docket No. 01-39.

2. ~~I am~~ the President and a Chairman of the Board of Directors of Caledonia Communication Corporation, a U.S. Virgin Islands corporation ("Caledonia"). Caledonia proposes to purchase Stations WSTX and WSTX-FM from Family Broadcasting, Inc. pursuant to the FCC's distress sale policy. This declaration is intended to demonstrate to the FCC that Caledonia is a minority-controlled corporation.

3. I am an African-American and a Virgin Islander. In addition to being President and Director of Caledonia, I have subscribed for a majority (**51%**) of the shares of capital stock of Caledonia. The remainder of the stock of Caledonia has been subscribed by Amanda Friedman (**24.5%**) and Jonathan K. Cohen (24.5%), who are husband and wife. A total of 1,000 shares of stock have been authorized for Caledonia, which is a Subchapter S corporation. I have subscribed to 510 shares, while Ms. Friedman and Mr. Cohen have each subscribed to 245 shares.

4. The remaining officers and directors of Caledonia ~~are~~ as follows: Janis Rames, Vice President, Treasurer and Director; and Amanda Friedman, Secretary and Director. Janis Rames is my wife and is also an African-American.

5. I ~~am~~ a member of the Bar of the U.S. Virgin Islands, having earned a Juris Doctor from the National Law Center, George Washington University in 1983 and a B.A. from Brown University in 1977.

I hereby declare, under penalty of perjury, that the foregoing statements are true and correct.



Kevin A. Rames

02/24/03

Date

EXHIBIT C

Fair Market Appraisal

**WSTX AM/FM
Christiansted, Virgin Islands**

Prepared by:

Robert J. Connelly
The Connelly Company
Tampa, Florida

Qualifications

The Connelly Company, Inc. has for over fourteen years sold and appraised broadcast properties, both **radio** and television. Appraisals and values have been placed for a variety of purposes, including lending institutions, sales, mergers, financing, and enlargement of corporations and settlements. The Company has represented owners, sellers, financial institutions and investors in the purchase, sale and appraisal of broadcast properties.

Robert J. Connelly, **the** principal of the Company has over forty-nine years in broadcasting, including ownership and management, hands on experience in appraisals of broadcast stations for the purpose of financing and re-financing. He has been involved in the placing of values on both radio and television stations through out the country.

Robert J. Connelly, Jr. is a Florida Real Estate Broker and began **his** broadcasting career in sales **at** a major broadcast property in Tampa. He currently works with The Connelly Company, Inc. He also is **the** President of Highlands Broadcasting Corporation and is involved in DVD Music. He is familiar with Broadcast Rules and Regulations and the Federal Communications Commission.

Valuation Methodology

The fair market value of a radio station (or stations) refers to the price, which would be paid by a knowledgeable buyer and agreeable to a knowledgeable seller for all of the assets used and **useful** in the operation of **the** station(s). We are **making** the following assumptions in order to gain a **fair** market value for **the** properties: a cash sale of **the** assets, on a free and clear basis, conducted through **the** means of a routine sale between private parties wherein neither party is under compunction to act. **Fair** market value may also be described as the price a sophisticated buyer will pay in order to obtain a reasonable return on **his** investment commensurate with the risks involved.

In order to determine the value of WSTX-AM/FM we will use a number of factors; value of the assets to be transferred; comparable **of** radio station sales in the U. S. Virgin Islands; **the** Christiansted and Virgin Islands market; **the** broadcast abilities of **the Buyers** and **the good** will partly credited in the past but mostly the potential good will created when these two stations return to the air at full power.

THE STATIONS

Please find enclosed year end sales figures **as** reported by the owner for the years 1999,2000 and 2001. The owner has also provided a balance sheet for the year 2001. Using these **figures** the average of those three years is \$157,500.00. **The figures**, as provided by the **owner**, show some revenue and indicate that the possibilities of revenue growth is there under proper management with a directed sales department. Owner reports that currently there are two full time employees, **as** of February **2003**, and some part time people. It is easy to see with a consolidated operation that a sales force covering **the** market place could increase sales and help to realize the WSTX AM/FM's potential. Much of current sales come from block programming. The hard assets to be transferred **are** limited and an inventory is included.

The new owner may want to rebuild the transmitter facilities. As for signal strength a long wire is currently being **used** for the **AM** and the owner reports that it has a good signal considering **the** circumstance. The FM is operating with very low power but also maintains a signal, which is aided by the water and few if any obstructions to block the signal. She also **reports** that the stations receive mail from the British Virgin Islands and other areas of **the** Caribbean

The two stations involved have considerable upside because of their power and dial positions. Located on an island surrounded by water allows for great coverage for both stations. WSTX-**AM**, 970 kHz on the dial, is one of only two stations with 5,000 watts days. WSTX AM operates with 1,000 watts at night. There is one other AM at a **high** dial position at 1620 with 10,000 watts of power days only. WSTX-FM is one of only four stations with the highest power in the Virgin Islands at 50,000 watts. WSTX FM has an excellent dial position at 100.3. Much of the **value** of these stations is the excellent dial positions and power. If you **cannot** hear **the** signal then the ability to make stations successful and serve the public is greatly diminished. **These** two properties offer both great dial positions and authorized power.

There have not been a great number of sales of radio stations in this market according to two of the most reliable providers of such information, **BIA** and Broadcasting and Cable. **The** most recent sale was in 1999 when an FM, WVIQ-FM, sold for \$590,000. WVIQ-FM operates with **32,000** watts at 99.5 **on** the dial. WVPI-FM was sold in 1999 for \$221,790.00. Station operates with 45,000 watts **of** power at 104.3 on the FM dial. In 1996 **an** AM, WVWI was sold for \$250,000. **WSTX** AM/ FM sold **to the** present **owners** for \$525,000.00. that sale occurred in 1990. We also would **point** out that Knight Quality Radio Stations sold out all of their stations on the main land a few years ago but maintain the three stations they own in the **U.S.** Virgin Islands. This indicates a degree of stability in the market place.

The economy of the Virgin Islands has been affected by the tragedy of 9/11. The overview of the Islands primary economic activity shows tourism accounts for more than 70 per cent of employment. The Islands normally hosts 2 million visitors per **year**. We do not have current data but is safe to assume that tourism is down and as a result the industry that depends on **tourists** has been hurt greatly.

The manufacturing sector consists of petroleum refining, textiles, electronics, pharmaceuticals and watch assembly. The agricultural sector is small, with most food being imported. International business and financial services are a small but growing part of the economy. One of the world's largest petroleum refineries is at Saint Croix. The government **is** working on improving tourist facilities and improving the environment. Saint Croix, Saint Thomas and Saint John make up the U. S. Virgin Islands. The British Virgin Islands lie just **off** the Saint John shore line.

VALUATION

Deregulation of radio ownership is an unprecedented event, which has totally reshaped the economics of the broadcast industry. At the station level, consolidation generally leads to more efficient and more profitable operations. These new economics have brought increased demand for stations. The increased demand for a finite number of licenses has inevitably lead to higher station prices.

At the *time* of this appraisal, WSTX AM/FM needs an infusion of money in order to rebuild both stations. This would include new or used transmitters and associated equipment. It would also require the lease or purchase of tower facilities. WSTX AM is full time with 5,000 watts of power days and 1,000 watts at night. **This** facility when re-constructed should serve the entire **area**. The same would apply to the FM as it is licensed for 50,000 watts and because of the location *the* signal should cover a much wider area than the U. S. Virgin Islands. When constructed these two stations will have signals that will be among the best to serve the Islands. **An** additional factor is that there are no major national group owners for competition. This is a consideration particularly in regards to any major national or regional broadcast advertisers.

The most likely Buyers for these stations are an owner already in the market. **This** will result in considerable cost savings not only in construction, but also in operation. These stations would most certainly be profitable if operated in conjunction with **a** cluster of other stations under the **same** owner. The benefits of consolidation should allow **WSTX** AM/FM to be operated with

minimal overhead and maximum margins. In estimating the value of these stations **we** cannot **use**

the traditional **multiples of cash flow** but instead are evaluated by the strategic role that this acquisition plays in a station cluster. The addition of these **two** potentially out standing **signals** to **an** existing radio **group** will enhance the **Buyer's** competitive edge in the market and give added clout with advertisers. Therefore **we** estimate the fair market **value** for these stations, **as** is, including limited assets and licensed, to be \$395,000.00 cash.

All material gathered in this presentation has been gathered **from** sources believed to be reliable. Sources include the Government **of** the Virgin Islands, BIA, Broadcasting and Cable, the owner or **owners** of the **stations** and any and **all** other sources believed to be reliable and **most worthy**.

EXHIBIT D

MEDIA SERVICES GROUP, INC.

ACQUISITIONS • VALUATIONS. FINANCING • CONSULTATION

3948 SOUTH THIRD STREET #191, JACKSONVILLE BEACH, FL 32250. TELEPHONE (904) 285-3239 PAX: (904) 285-5618
E-mail: REWmsconsultingOcr.com

VIA FED EX

February 20, 2003,

Howard J. Braun, Esquire
KMZ Rosenman
1025 Thomas Jefferson St., NW
East Lobby, Suite 700
Washington, DC 20007-5201

Dear Mr. Braun:

This letter is in response to your request for my opinion as to the Fair Market Value of radio stations WSTX-AM/FM, St. Croix, USVI. I have considered conditions in the current station trading marketplace, factors unique to the stations and market, comparable sales, and the stations' potential sales performance in the preparation of my opinion. I assumed a valuation date of today.

Definition of Fair Market Value

Fair Market Value is considered to represent a value at which a willing Seller and a willing Buyer, both being informed of the relevant facts about the business, could reasonably conduct a transaction, neither party acting under any compulsion to do so.

Sources of Information

This valuation has been completed based on the following source materials:

- Market and station information from *BIA's Media Access Pro*
- Financial information and equipment lists provided by the stations' owner
- FCC CDBS database

No on-site physical inspection was conducted.

WSTX-AM	WSTX-FM
B	B
5,000/1,000	50,000
970 kHz	100.3 mHz
Variety	Variety
20589	20601

The Market

The Virgin Islands, while relatively small in size and population (approximately 123,000), has a very diverse and active business community with companies and individuals residing and owning investments in the Virgin Islands from the U.S., Europe, other Caribbean Islands, India and around the world.

Tourism is the primary economic activity, accounting for more than 70% of GDP and 70% of employment. The islands normally host 2 million visitors a year. Tourism has been hurt by the September 11 terrorist attacks.

The manufacturing sector consists of petroleum refining, textiles, electronics, pharmaceuticals, and watch assembly. The agricultural sector is small, with most food being imported. International business and financial services are a small but growing component of the economy. One of the world's largest petroleum refineries is at St. Croix.

The government is working to improve fiscal discipline, support construction projects in the private sector, expand tourist facilities, reduce crime, and protect the environment. To foster investment, growth and diversification in the United States Virgin Islands, the federal and territorial governments have enacted a series of incentives (in addition to the tax advantages in the Laws section of this handbook) to create a business climate that generates jobs.

The Stations

WSTX-AM, licensed to Christiansted, is a Class B **AM** station, broadcasting at 970 kHz with 5,000 watts of power during the day and 1,000 watts at night.

WSTX-E'M, licensed to Christiansted, is a Class B **FM** station, broadcasting at 100.3 MHz with 50,000 watts of power. The station programs a Variety format. Both stations report a "Variety" format.

The equipment lists provided suggest that significant capital investment may be required to put the stations into competitive order.

Determination of Value

There are three basic approaches to value:

- Discounted Cash Flow (and its variations of multiples of revenue and broadcast cash flow)
- Comparable sales
- Replacement Cost

The term Broadcast Cash Flow ("BCF") consists of Operating Revenue (loss) less Operating Expenses, excluding interest, taxes, depreciation and amortization, corporate overhead and extraordinary items. It is a measure widely used in the broadcast industry to evaluate a radio station's operating performance. Absent significant positive cash flow, stations are valued using multiples of trailing annual cash revenue or on comparables.

Replacement Cost is seldom used due to the high value of the intangible assets inherent in radio properties such as the FCC license.

We identified three sales in the Virgin Islands (utilizing the *BIA* database) from 2002:

WEVI-FM	Frederiksted	\$205,000
WVGN-FM	Charlotte Amalie	\$290,000
WZIN-FM	Charlotte Amalie	\$1,000,000

WVGN represents a good comparable. As it was a class A, and WSTX-FM is a class B, we applied a slight premium to the WVGN sale price.

There were no AM sales in the Virgin Islands reported in the *BIA* database. Accordingly, we estimated that WSTX-AM could generate revenues of \$10,000 per month once operational. We further believe that a comparable AM would trade at a multiple of annual revenue of 1.5x. This suggests a valuation of \$180,000.

We estimate the Fair Market Value of WSTX-FM at \$300,000 and the Fair Market Value of WSTX-AM at \$180,000 as BUILT facilities (and fully in compliance with FCC rules and regulations). Further, we estimate construction costs to complete the build-out at \$100,000. Deducting the estimated construction costs (\$100,000) from the value of the built facilities (\$480,000) yields a

current value of the WSTX-AM/FM combo of \$380,000.

As a "reasonableness" test of our findings, I reviewed reported revenues which were provided from the owners:

1999	\$162,000
2000	\$159,000
2001	\$121,000

If you discount 2001 (due to the effects of September 11 on the market's tourism industry), the revenue for the prior two years is around \$160,000. Since our valuation of \$480,000 (before deducting rebuilding costs) is 3.0x the average revenue, we are comfortable with our estimates (I would expect the range for an AM/FM combo in a similar market to fall between 2.5x and 3.5x).

This valuation assumes a cash purchase of 100% of the assets, excluding cash on hand, accounts receivable and other current assets and liabilities that would not normally be conveyed in an asset sale. Our opinion further assumes that all equipment meets the requirements of the Federal Communications Commission.

Qualifications

George R. Reed is Managing Director of Media Services Group, Inc., which specializes in valuations, acquisitions, financing and consulting to the communications industries. Media Services Group, Inc., has eight offices in major cities throughout the U.S. plus an affiliate in San Juan, Puerto Rico. Reed is a shareholder and member of Media Services' Board of Directors.

George R. Reed has brokered almost one billion dollars of communications transactions. In addition to being an officer, director and stockholder of Media Services Group, Inc., Reed has over thirty years of communications experience including the areas of sales, management, ownership and brokerage. He is also a licensed Florida real estate broker, and is the immediate past president of the National Association of Media Brokers, as well as a member of the Boards of Directors of the Georgia Association of Broadcasters, the North Carolina Association of Broadcasters, and the John Bayliss Broadcast Foundation.

Prior to entering the brokerage business, Reed worked in station management with several group operators and has owned an FM station in a top 100 market. He is a Certified Radio Marketing Consultant, a frequent guest speaker at industry forums, and a guest lecturer for college communications programs. Interviews, quotes and articles have been published in "*Broadcasting and Cable*", "*Radio Business Report*", "*The Pulse of Radio*", "*Radio Only*", "*Radio Ink*", and "*Radio and Records*" magazines.

Reed holds a B.B.A. degree from Mercer University and an M.B.A. from Georgia State University's Executive MBA program. He has attended the Radio Advertising Bureau's Management Development program at the Wharton School of Business in addition to numerous courses and seminars on investment analysis, discounted cash flow techniques, computer modeling, appraising and brokerage. Reed has served as an expert witness in State and Federal courts concerning communication valuations and as a court appointed Receiver.

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated.

2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been verified in all cases. No warranty is given to the accuracy of such information.

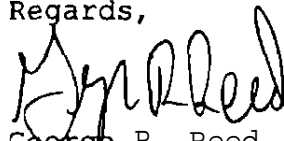
3. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the date hereof. No independent surveys were conducted.

4. Full compliance with all federal, state and local zoning, usage, environmental and similar laws and regulations, including all Federal Communications Commission regulations, is assumed, unless otherwise stated.

5. Neither Media Services Group, Inc. nor George R. Reed shall be required by reason of this report to give testimony or appear in court or other legal proceedings, unless specific arrangements there for have been made.

6. We have used certain forecast data in our valuation and have applied to these data and their underlying assumptions generally accepted valuation procedures reflecting a variety of economic and market considerations. There usually will be differences between forecast and actual results because events frequently do not transpire and circumstances often do not evolve as anticipated, and these differences may be material. We have no responsibility to update this report for events that may occur and circumstances that may come to exist after the date of this report.

Regards,

A handwritten signature in black ink, appearing to read "G. Reed", written over the printed name.

George R. Reed
Managing Director
Media Services Group, Inc.

attachment

CERTIFICATE OF SERVICE

I, Daniel A. Huber, **Esq.**, do hereby certify that copies of the foregoing have been hand delivered and/or sent via facsimile this 24 day of February, 2003, to the offices of **the** following:

Honorable Richard L. Sippel
Administrative Law Judge
F.C.C.
445 12th Street, S.W.
Room 1-C768
Washington, D.C. 20554

James Shook, **Esq.**
Hillary DeNigro, **Esq.**
Enforcement Bureau
Investigations/Hearing Division
F.C.C.
445 12th Street, S.W.
Room 3-B443
Washington, D.C. 20554



Daniel A. Huber